Unlocking the Power of **AI** in Nigeria's Fintech Sector

remita

Con tents

NIGERIA'S FINTECH SECTOR

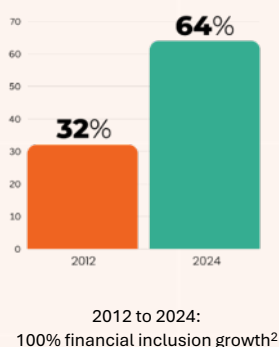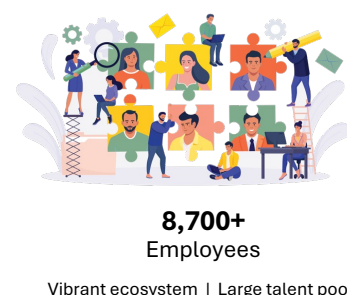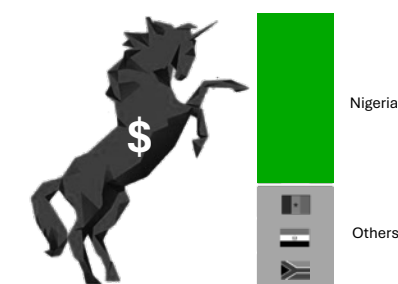One of the top four destinations for venture capital flow into Africa, Nigeria has continued to play a leading role in the fintech evolution on the continent . In 2024, more than 29% of all venture funding in Africa was targeted at startups in Nigeria, with 52% going to fintechs. Of the nine unicorns in Africa, eight are fintechs, with five of them being Nigerian [1] .

$ Nigeria Others

Nigeria: 5 of Africa's 8 fintech unicorns

433+
Fintechs

12+
Verticals

Extensive product offerings

8,700+
Employees

Vibrant ecosystem | Large talent pool

64%
32%
2012   2024

2012 to 2024:
100% financial inclusion growth[2]

16.7%

2023 to 2024:
YoY transaction volume growth

US$**713b**

2024:
11.2B+ transactions | ₦ 1.07 Quadrillion[3]
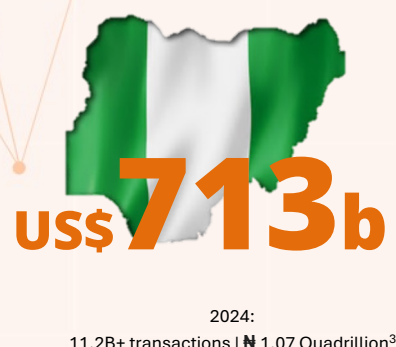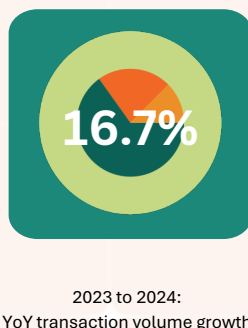
- The rapid evolution of fintech in Nigeria has significantly contributed to the impact of fintech in Africa.

- Key drivers of Nigeria's continental fintech leadership
    - Huge market opportunities
    - Fast technology adoption
    - Access to local and international funding
    - Large talent pool
    - Bank and telco fintech entry growth
    - Increased availability of international offerings
    - Supportive government policies

- Nigeria's leadership momentum will be sustained as fintechs adopt AI to:
    - Accelerate innovation
    - Enhance customer experience
    - Expand to new markets
    - Boost operational efficiency
    - Combat fraud

By 2030, the Nigerian fintech ecosystem would be significantly transformed and redefined based on the introduction of AI at scale.

2 AI IN FINTECH

Global finance is being significantly transformed as fintechs are exponentially empowered with AI to do a lot more, faster and more efficiently at fractions of current costs.

AI-powered tools are making it easier for fintechs to streamline product development, automate customer support, improve access to information, enhance documentation, deepen collaboration and accelerate entrance into new markets.
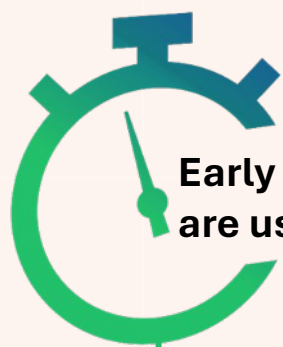
NIGERIA FINTECH:
THE URGENCY FOR ACTION
There is no better time for Nigerian fintechs who have a long-term vision to maximise the opportunities AI presents.

The Nigerian AI market is poised for substantial growth, with a projected

USD$434.4m

by 2026, representing a compound annual growth rate (CAGR) of **44.2%**[4]

Early adopters like Remita are using AI to:

- Improve user experience
- Enhance operational efficiency
- Combat fraud
- Accelerate innovation
- Reduce time to market
- Lower costs

The time to act is now

Key drivers for urgent action:

1. AI is becoming mainstream and commoditised
   - Proliferation of new AI models
   - Improvements in foundational AI models
   - Greater accessibility to AI tools

2. AI is setting new standards for products and user experiences in fintech

3. Loss of market share or outright exit due to delayed adoption of AI

FIVE MAJOR OPPORTUNITY AREAS

While AI may still seem like a buzzword to many, it offers practical and valuable application within the fast-evolving fintech ecosystem. As a major player in Nigeria's financial technology space, there are five major opportunity areas we believe fintechs can focus on to drive accelerated growth and scale.

1. CUSTOMER SATISFACTION

Enhanced Support

Customer support has emerged as one of the most impactful areas for AI adoption in fintech. Klarna, a global buy-now-pay-later company has integrated AI assistants into its workflow with a reported 25% reduction in repeat inquiries [5].

25%

Reduction in repeat inquiries

AI Assistants Enhance Support Efficiency

- Deliver faster, more accurate responses
- Reduce workload on support teams
- Reduce response times and support costs
- Act as first responders (self-service & third-party)
- Enable intelligent, round-the-clock service.
- Enrich internal knowledge database for product optimisation.
- Intuitive problem detection and resolution from customer issues.

Improve Customer Satisfaction

Case Study: Remita Product Knowledge Assistant

- Provides 24/7 precise responses
- Outcomes:
  - **19%** fewer customer inquiries handled directly by support teams.
- Highlights AI's power in smarter customer interactions

Optimised Customer Journey

Today's payment journeys are largely static. AI is reshaping product design by personalising UI, based on user behavior. **Adyen** already optimises checkouts with AI, boosting conversion rates by 6%[6].

2. OPERATIONAL EFFICIENCY

Streamlined Operations

As businesses look for ways to work smarter, AI-powered tools are making it easier to automate repetitive tasks and streamline operations. For fintechs, this presents an opportunity to have clearer processes, reduce errors, speed up operations and boost productivity by redesigning workflows.

From customer onboarding to compliance and KYC, leveraging AI tools can free up valuable time for teams to focus on more strategic initiatives.

Case Study: Remita Developer Assistant

- **100%** in-house developed.

- Acts as a live support agent for API integrations.

- Provides real-time guidance, reducing need for human intervention.

Early results:

Potential **50%+ acceleration** in API integration timelines

Significant **savings in time and resources**

Improved Productivity

One of AI's most significant contributions is its ability to drive productivity in organisations. The prevailing trend today within the fintech ecosystem is **doing more with fewer resources**. AI-powered tools are enabling fintechs to build, test, and scale products with minimal workforce requirements, and streamline operations thus improving efficiency.

3. FRAUD MANAGEMENT

Fraud Mitigation

As AI grows, fraud prevention must keep pace. Fintechs can use AI to detect and stop threats before they materialize. With threats evolving so fast, fintechs must build resilient systems that predict and monitor patterns and counter threats in real time.

Efficient Monitoring

AI strengthens fraud defences but is also used by bad actors to identify and exploit vulnerabilities. Fintechs can use AI surveillance to track, and flag compromised credentials in real-time, thus reducing fraud and boosting user confidence.

4. PRODUCT INNOVATION AND DEVELOPMENT

Personalised Interactions

AI has driven massive personalisation for content delivery platforms like YouTube, Netflix, TikTok, etc. We are already seeing similar transformations in the payments space. These personalised payment experiences will play a role in shaping how users interact with payment systems, making transactions more intuitive and tailored to individual needs.

AI-Powered Personalisation: Unlocking Value

- British fintech **Cleo** uses AI to deliver personalised financial advice.
- **600,000+** **paying users** and with rapid business expansion[7]
- This level of **personalisation** drives **innovation and convenience** across the payment ecosystem

Conversational Payment

AI is reshaping payments through conversational interfaces, making transactions more seamless[8]. As chat-based interactions grow, "conversational payments" will gain traction among individuals and businesses, creating opportunities for fintechs.

Case Study: Remita Payment Assistant

Remita Payment Assistant simplifies payments and boosts customer experience.

It's now a breeze to find and make payment for any of the over **50,000** items on the Remita merchant portal.

Early tests show a **40%** increase in customer experience
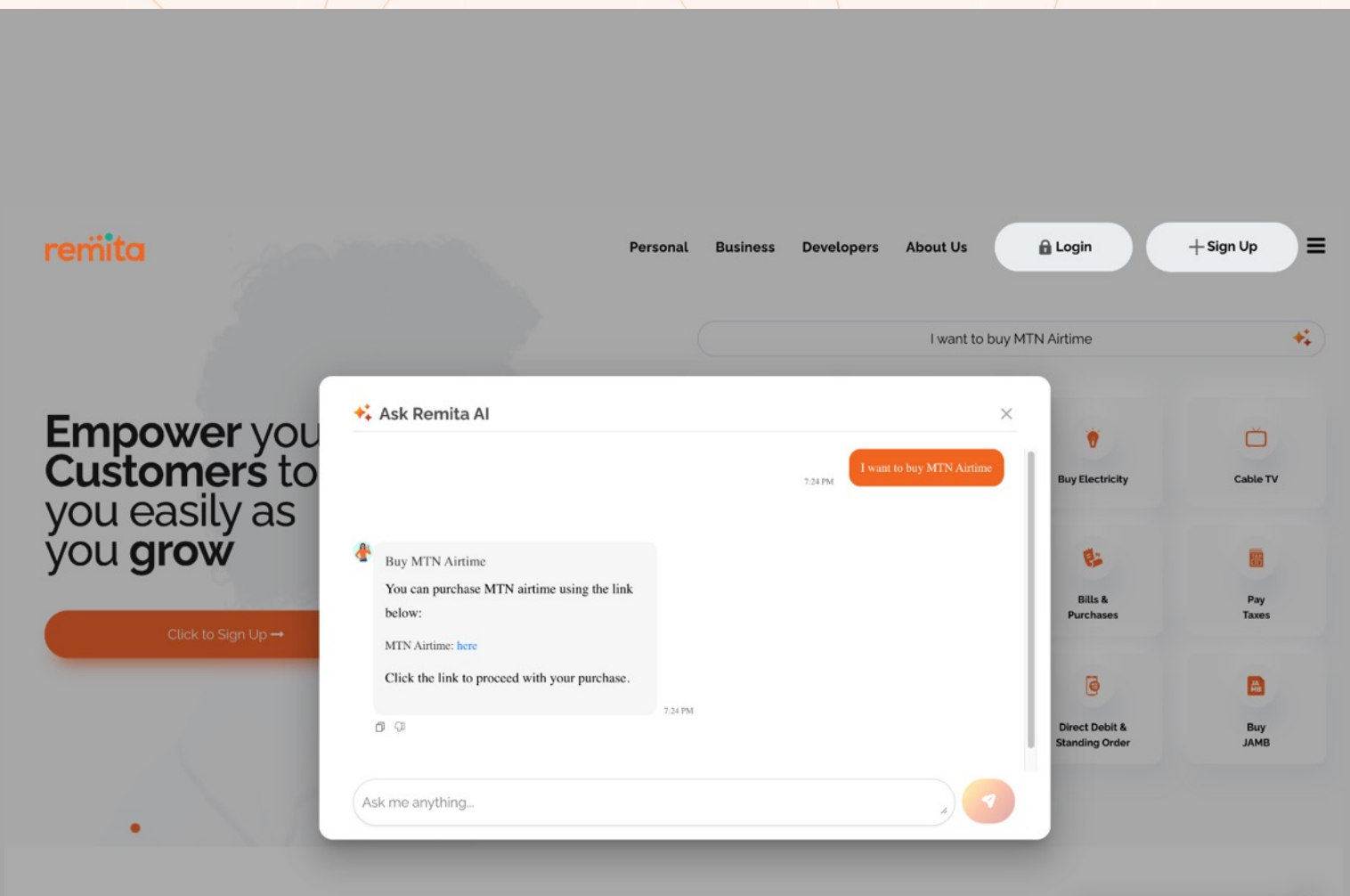
5. BUSINESS EXPANSION

New Product Launch

Fintechs are uniquely positioned to create new, data-driven products as AI tools become increasingly accessible. A core by-product of financial services is data - yet many fintechs simply store vast datasets without fully utilising them. With the advent of advanced AI, these datasets can now be transformed into entirely new revenue-generating product lines.

For example, fintechs with large volumes of payment data can:

Develop advanced fraud detection tools that analyse patterns at scale to identify anomalies and prevent fraudulent transactions.

Create intelligent advisory solutions for merchants, using e-commerce data to offer insights that boost sales and efficiency.

Launch innovative credit scoring and underwriting tools for lenders, using payment history to assess creditworthiness more accurately and extend financial services to underserved markets.

New Market Entry Approaches

AI can serve as a powerful agent for fintechs looking to expand into new geographies. By analysing a company's unique strengths and capabilities, and matching them with a target entry market, AI can evaluate potential opportunities, identify growth areas, and recommend tailored go-to-market strategies.

Leveraging predictive and generative AI models, fintechs can make informed decisions about where, when and how to expand. This can significantly streamline market entry processes and reduce the complexity and cost of geographic expansion.

3 NAVIGATING RISKS

All new technologies come with inherent risks. AI is no different. The rise of deepfakes for social engineering, escalated identity fraud, large-scale Distributed Denial of Service (DDOS) and systemic attack of companies and nations are examples.

Six risk areas for fintechs' attention

FRAUD

Cyber fraud has plagued fintechs for years. While AI introduces new risks, it also combats fraud and security challenges intelligently. With new technology tools, fintechs can improve fraud detection mechanisms at scale, driving improved fraud mitigation outcomes across their organisations.

There are many advanced open-source and proprietary AI driven fraud engines you can consider to handle this aspect of your fintech operations. Matured fintechs also have the option of building their own AI driven fraud engines or operating a hybrid model.

At Remita, in addition to back-room fraud management, we have provided an AI-driven transaction validation solution that allow customers to verify the authenticity of an invoice or a receipt at any time.

BIAS

Fintechs should routinely audit their AI systems to detect biases, misuse, and hallucinations, to ensure fairness and accuracy.

Biases in training data or AI algorithms can drive system inaccuracy making AI products deployed for fintech use cases less dependable. [4]

Regular audits will help uncover potential risks thereby ensuring reliability of AI systems. This can be achieved by implementing advanced monitoring systems to track AI deployments, and gain quick visibility into customer usage, which helps with proactive issue identification and resolution.

DATA PRIVACY

Data privacy is a serious consideration for fintechs seeking to deploy new AI solutions within their existing operational workflows. Because data is essential for AI systems to work optimally, fintechs must consider existing data regulations to avoid breaches and abuse of sensitive data.

Additionally, fintechs must develop AI governance policies to regulate data usage and access by stakeholders[10.]

MISUSE

AI is a powerful tool that, if improperly used, can pose significant risks to fintechs and their customers. Misuse of AI in financial services can include unauthorised access, manipulation of financial data, and the deployment of AI systems for unethical purposes.

To mitigate these risks, fintechs must establish strict internal policies that define ethical usage parameters and ensure AI applications align with business objectives and regulatory requirements. They should also build in guardrails into their AI deployments to ensure that unethical uses are detected faster and blocked.

DATA SOVEREIGNTY

Data sovereignty refers to the principle that data is subject to the laws and governance of the country in which it is collected or stored. For Nigerian fintechs leveraging AI, compliance with local data regulations, such as the Nigeria Data Protection Act (NDPA) and guidelines from the Nigeria Data Protection Commission (NDPC), is essential to ensure responsible AI deployment.

The challenge arises when fintechs rely on global AI models and cloud infrastructure hosted outside Nigeria, which may conflict with local data residency laws. To navigate this, fintechs must prioritise localised data storage, and develop AI tools that protect access to customer data.

MISINFORMATION

The increasing reliance on AI assistants and automated financial advisors introduces the risk of misinformation. AI models, while powerful, do not inherently verify the accuracy of the information they generate, which can lead to hallucination and other forms of misleading output. This can erode customer trust, misguide financial decision-making, and expose fintech companies to compliance risks.

Ensuring the reliability of AI-generated content requires rigorous training with verified financial data, ongoing human oversight, and mechanisms to validate and fact-check outputs in real time. Without these measures, misinformation could undermine the credibility and effectiveness of AI-driven financial services.

4 EMPOWERING TEAMS

Having a workforce that is unaware or unable to leverage the power of AI and other emergent technologies in this era of autonomous innovation is a death knell.

Fintechs seeking to stay afloat and ahead should therefore commit to empowering team members with AI capability.

Four ways to empower your team:

1 UPSKILL THE WORKFORCE

- **AI literacy** is essential for forward-thinking organisations.
- Companies should **invest in employee training** to fully harness AI's potential.[5]
- **Workshops and certifications** help teams stay updated on **AI trends and tools**

2 INTEGRATE HUMAN AND AI AGENTS

- Fears around AI job displacement are overstated; **AI is more likely to enhance human capabilities**.
- Companies should **clearly define roles** for both AI agents and humans to improve collaboration and decision-making.
- Embracing **specialised AI tools** can boost staff productivity and drive **better business outcomes**.

3 ENCOURAGE EXPERIMENTATION

- **AI tools enable faster prototyping**, allowing teams to move from idea to MVP in days, not months.
- Teams are able to quickly develop high-fidelity prototypes, test, and refine based on insights.
- **Management should equip and incentivize teams** to embrace a culture of experimentation and agility.

4 IMPROVE ACCESS TO KNOWLEDGE

- **AI enhances knowledge management** by delivering contextually relevant answers from internal knowledge bases.
- Models can be trained on **regulatory documents** to support compliance across business, product, and engineering teams.
- **Fintechs can use AI** to ensure regulatory adherence as they scale and build new solutions.
- Expect wider adoption of such tools to **streamline compliance** and product development

5 COLLABORATING FOR SUCCESS

At the heart of any successful technology strategy is collaboration. The onus is on market players to inter-relate to determine use cases to design for, guardrails to implement to avoid misuse or systemic risk, information and knowledge to be shared, and how best to deploy co-created solutions.

- *Remita, has successfully harnessed the power of generative AI by leveraging the Amazon Bedrock API to build an Agentic Retrieval Augmented Generation (RAG) solution from the ground up to power its AI transformation initiatives.*

- *Remita built generative AI-powered assistants to provide new experiences for customers. Remita built the assistants using proprietary data and customer interaction data to provide instant, accurate, and context-aware responses.*

- *By embracing AI-driven innovation, Remita is not only improving its service offerings, but also setting a new standard for excellence in the industry.* [9]

Three ways to collaborate on AI to create value for the financial ecosystem:

PARTNERSHIP FOR INNOVATION

Collaboration among AI developers, research institutions, and fintech stakeholders has the potential to drive innovation and scale new solutions and use cases effectively. The industry must work together leveraging platforms like FintechNGR, Fintech 1000+, AI in Nigeria to provide frameworks for adoption across multiple use cases and make them accessible to technology builders. Additionally, industry players have a critical role to play in **co-developing talent** to fuel ongoing innovation and growth. Nigeria's National Artificial Intelligence Strategy already provides a framework for this via the establishment of a Sustainable Applied AI Partnership Platform (SAAPP).[4]

REGULATORS AND POLICY-MAKERS ENGAGEMENT

Fintechs and other ecosystem players must work with regulators to shape AI-friendly policies that encourage innovation while protecting customers. Proactive dialogue with policymakers ensures that adoption aligns with societal values and economic goals for everyone. The expanded outlook on fintechs by the CBN through the recent creation of two departments focused on payments is an important development to leverage to further drive industry and regulator-led engagement. Other key regulatory bodies and stakeholders such as the National Information Technology Development Agency (NITDA), Securities and Exchange Commission (SEC), and the Committee of E-Business Industry Heads (CEBIH) - must champion deep ecosystem engagement on AI.

PUBLIC AWARENESS AND EDUCATION

Stakeholder education that highlights the benefits, risks, and safeguard measures is essential and all ecosystem players must play an active role in driving awareness. Well-structured campaigns can dispel concerns and misconceptions and encourage the adoption of AI-driven solutions in Nigeria.

- AI awareness should be mainstreamed within the educational sector with the Computer Professional (Registration Council) of Nigeria, NITDA, and other curriculum development bodies taking the lead. The fintech and other industries should compliment this through their internal capacity development programs.

- Over the next three years, a fixed portion of the National Information Technology Development Levy (NITDL) is recommended to be committed to deepening AI awareness and adoption across critical sectors of the Nigerian economy.

6 MEASURING AI'S IMPACT

AI will remain a buzzword only if there is no way to measure it or demonstrate its transformation power. Without an objective measure of efficiency and productivity, fintechs risk investing in new technology stacks that create little or no value for their organisations. On the other hand, some fintechs will begin implementing AI based on the FOMO (Fear of Missing out) syndrome and this may inform the absence of effort to track and monitor the impact of their investments in AI.

TRACK THE ROI OF AI INITIATIVES

- **Measuring AI ROI is essential** for understanding impact and refining implementation strategies.
- **Clear metrics tied to objectives** must be defined and tracked to evaluate AI effectiveness.
- **Remita's private beta results** show positive user feedback, highlighting the internal value of AI deployment.

MONITOR USER ENGAGEMENT

- **User engagement and feedback** should guide AI system refinement and improvement.
- **Robust monitoring systems** are essential to detect and address issues like hallucinations and misinformation.
- Proactive management builds **trust and ensures reliability** of AI tools over time.

At Remita, our AI journey has been interesting and rewarding as we transitioned from earlier models to the latest AI technologies and frameworks. We are happy to share from our experiences as we continue to explore the transformation of our business with AI.

Led by a C-level executive, our latest AI iteration objectives were clear

1. Enhance the user experience for customers and partners.
2. Provide quicker and smarter access to information about our offerings.
3. Develop more intelligent ways to protect our systems and operations.
4. Drive operational efficiency across the business.
5. Derive and respond faster to actionable insights from our data.

Deployed **monitoring tools** to proactively identify and address issues, **ensuring reliability** and trust in our AI systems.

Defined objectives → Identified and prepped data sets using **advanced ETL techniques**, ensuring **NDPR compliance**

Execution Approach

05

01

02

04

03

Embedded **ethical guardrails** to mitigate risks like hallucinations and prompt injections

Built and deployed an **Agentic AI solution** from scratch using **Amazon Bedrock, OpenAI, Anthropic, and Groq** for LLM orchestration

Designed for **scalable deployment** of AI assistants and agents across key use cases

AI Adoption is a Strategic Imperative for Fintechs

• Embracing AI is **no longer optional -** it is essential for **growth and competitiveness**

• Many fintechs **struggle with where to start** their AI journey

• Based on our experience, we recommend a **simple, practical framework** like the *Remita 5-star AI transformation journey* ® to help fintechs kickstart their AI adoption journey.

We have always been convinced about the potential of AI to support our vision of leading with innovation, detailed execution, secured transactions, intuitive insights, and exceptional customer support.

AI has been an integral part of our technology stack over the years, and it is inspiring to be recognised as one of the leading adopters of generative AI, positioning us for continued market leadership.

There's a whole lot we are doing with AI and we share a few below.

Payment Assistant

Automating and reducing time to access merchant payment links for goods and services using natural language. Early tests show a 40% improvement in customer experience.
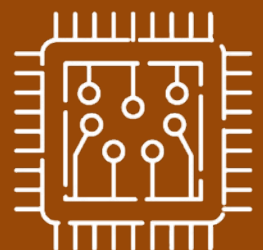
Product Knowledge Assistant

Enabling customers to get in-depth answers to questions about our product and service offerings using natural language. Expected to drive a 19% reduction in customer inquiries.

Enterprise Agents

Improved employee efficiency by enabling instant access to company knowledge through a simple conversational interface.

Developer Assistant

Providing code snippets to reduce the time for developers to integrate with Remita APIs. Beta tests show a 22% reduction in integration issues that required human intervention.

8 CONCLUSION

The world is experiencing another wave of technology-driven evolution, led by AI, and only those who can adapt and successfully ride the tide will come out on top.

A Call to Action

AI will continue to play a major role in further accelerating the transformation of the Nigerian fintech landscape, strengthening its continental leadership and global influence.

Fintechs who boldly and responsibly adopt AI will remain relevant in redefining financial services, deepening economic growth, and leading Africa into a future where technology empowers everyone, everywhere to do more.

There is no better time to redefine the future of your business with AI than now.

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remita

is a leading Africa-based payment company that simplifies transactions for businesses, governments, and individuals. As a pioneer and key player in Nigeria's fintech ecosystem, Remita continues to drive seamless and secure payment experiences.

A tier-1 licensed entity, it provides switching and instant payment services, payment & collection solutions, last-mile financial services through agent networks, multi-channel payment gateway for local and international payments, social disbursement platforms and services, and other innovative payment offerings.

Remita maintains an active global partnership network and processes about ₦65 trillion (US$42 billion) annually. With a keen focus on compliance, quality and security, its certifications include ISO 27001, ISO 9001, ISO 22301, and PCI DSS 4.0.

With a renewed focus on Africa and global expansion, Remita's outlook is to be the preferred payment partner in every market where it plays.

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